

DECLARATION OF PETER D. ZEUGHAUSER

I, Peter D. Zeughauser, declare as follows:

1. I am an attorney duly licensed to practice law in the State of Missouri (admitted and in good standing since 1975) and California (admitted and in good standing since 1977). My California State Bar Number is 75253.
2. I have been engaged in the active practice of law since 1975. From July 1981 until January 1996 I was employed as an attorney by The Irvine Company (the "Company") in Newport Beach, California. The Company is one of the largest real estate developers in the United States with over \$15,000,000,000.00 in assets. From May 1985 until January 1996 I served as the general counsel of the Company. During my employment by the Company, at various times I also held the positions of Division Counsel, Senior Division Counsel, Associate General Counsel, Vice President and Senior Vice President.
3. My responsibilities as general counsel of the Company included the oversight and management of the Company's legal affairs. In carrying out my responsibilities at the Company, I was responsible for managing over fifty outside law firms representing the Company in over 350 active legal matters at any given time, approximately half of which were disputes and litigation in which the Company was involved.
4. Over the course of my employment by the Company, I was responsible for the management of outside counsel representing the Company in thousands of disputes pursuant to attorney fee arrangements in excess of \$100 million.
5. Since approximately 1985, I have spoken to over three hundred audiences comprised of attorneys, including many national, state and local bar association groups, on the proper management of legal matters. A significant number of these talks have been on the topic of determining the appropriate

value of legal services, a subject on which I consult regularly as part of my occupation.

6. Since 1985, I have published numerous articles in national, state and local legal publications on the topic of determining the appropriate value of legal services. I am a member of the Board of Editors of America Lawyer Magazine and a regular columnist for the magazine. My writings in the magazine often address the subject of proper techniques for determining the appropriate value of legal services.
7. In 1995, I authored and published a book entitled *Lawyers are from Mercury, Clients are from Pluto*, which includes several chapters on the proper management of legal matters and proper techniques for determining the appropriate value of legal services.
8. Since January 1996, I have served as a legal management consultant to law firms throughout the United States. As part of my consulting work, I have trained over 1,000 partners in law firms throughout the United States on determining the appropriate value of legal services and on the utilization of appropriate billing techniques. I have also consulted with numerous law firms with offices in Los Angeles and throughout the United States regarding the appropriate amount to charge clients for services rendered by the firms. I regularly advise law firms on the appropriate hourly rates to charge for lawyers in their firms.
9. Harris & Ruble has retained me in this matter to offer my opinion on the reasonableness of hourly attorney rates for certain attorneys employed by them.
10. In rendering my opinion, I have reviewed the resumes of the attorneys and am also familiar with the firm's work.

11. In my opinion, the reasonable hourly rates for the following attorneys are:

Alan Harris	\$725.00
Matthew Kavanaugh	\$320.00
Abigail Treanor	\$390.00
David Zelenski	\$390.00
Jon Ricasa	\$430.00
Lisa M. Owen	\$500.00

12. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 4th day of March, 2007, at Newport Beach, California.



Peter D. Zeughauser